



MARYLAND

GRAIN & HAY REPORT

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WEEKLY GRAIN COMMENTARY		Kevin McNew	Adjunct Professor, UMD-College Park	

March USDA/WASDE Reports, Will There Be Surprises?

Typically, the March USDA/WASDE holds little by way of surprises. This year could be different, however. Demand for corn has being relative poor, while soybean demand has remained robust. Wheat has become more competitive on the world market lately. This all leads to uncertainty heading into Friday’s monthly reports. The grain did rally a bit today ahead of those reports.

Corn has moved lower this week pressured by weaker fundamentals and technical/fund selling. The May contract tested February lows in the \$6.80 area, but found support there for the time being. If the USDA releases a bearish report tomorrow, prices could drift as low as the \$6.55 area. Fundamentally, corn continues to look weak. Ethanol production fell 7,000 barrels a day to an average of 805,000 barrels per day. Our models continue to indicate that the USDA is overestimating corn going to ethanol by about 100 million bushels. For export sales, we actually saw a net reduction of just over 49,000 MT. Corn continues to run about 56 million bushels behind pace to meet the current USDA projections for exports. These two items will have to be watched in tomorrow’s reports.

Soybeans have had a good week on the May daily charts. The long-term downward trend line was finally broken on Monday after a large rally that day. The \$14.60 area should hold support in a role reversal situation after being resistance for a period of time. Demand domestically and internationally continues to be robust. According to our models, export sales are running about 118 million bushels ahead of the seasonal pace to meet current USDA projections. Soybean crush remains strong, but a revision is unlikely as this figure has been revised in the last couple reports. South American production estimates will need attention in tomorrow’s reports.

Wheat has gained favor in the world marketplace over the last several weeks. Despite better export sales of late the market continues to slide. Much needed moisture has come to the Southern Plains in recent weeks and is being blamed for most of the selloff. Export sales this week were reported as 828,000 MT combined for old and new crops. Average of the analysts’ guesses is for ending stocks to increase by about 13 million bushels in tomorrow’s report.

For the most part, the March USDA/WASDE reports are rather mundane with little by way of revisions. Tomorrow’s reports could be a different story as this marketing year has been a unique one. Corn demand is dragging, soybean demand is strong, and wheat is picking up steam. All of this could lead to an exciting day of trading following the monthly reports released at 11 AM CT on Friday.

CASH GRAIN PRICE – REGIONAL (\$/bu) DEALERS AVERAGE CASH QUOTES

Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	02/26	03/05	02/26	03/05	02/26	03/05	02/26	03/05
Western, MD	7.00	7.14	13.80	14.22	7.34	7.33	5.00	5.00
Central, MD	6.93	7.23	13.94	14.30	6.99	6.96	----	----
Southern, MD	7.25	7.44	13.92	14.23	6.76	6.76	----	----
Upper E. Shore	7.42	7.49	14.01	14.20	7.01	7.01	----	----
Lower E. Shore	7.51	7.64	14.24	14.61	6.94	6.91	----	----

HAY AND STRAW

New Holland, PA - March 4, 2013 - \$/ton

Alfalfa	Mixed Hay	Timothy	Grass	Straw	
155.00 – 290.00	50.00 – 375.00	190.00 – 310.00	55.00 – 330.00	100.00 – 170.00	
222.00 Avg.	213.00 Avg.	249.00 Avg.	174.00 Avg.	140.00 Avg.	

Westminster, MD – March 4, 2013 - \$/bale

Alfalfa	Alfalfa Mix	Timothy	Timothy Mix	Grass Mix	Straw
4.00 – 4.75	2.00 – 7.25	4.00 – 5.25	1.40 – 5.25	1.00 – 6.50	1.00 – 3.50

Compiled by USDA, NASS, Maryland Field Office For more information about this report, call 410-841-5740 MARYLAND DEPARTMENT OF AGRICULTURE 50 Harry S Truman Parkway Annapolis, MD 21401	UNITED STATES DEPARTMENT OF AGRICULTURE NATIONAL AGRICULTURAL STATISTICS SERVICE MARYLAND FIELD OFFICE Chris Cadwallader.....Director Douglas Boline.....Deputy Director
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